SECRETARY OF DEFENSE WILLIAM J. PERRY INTERVIEW WITH ROBERT MACNEIL ON PBS-TV PROGRAM, "THE MACNEIL/LEHRER NEWSHOUR" WASHINGTON, D.C. OCTOBER 25, 1994

ROBERT MACNEIL: We start with a newsmaker interview with the Secretary of Defense, William Perry. He's just back from a trip to the Middle East and Far East.

Mr. Secretary, thank you for joining us. SECRETARY PERRY: Good to be here, Robin.

MACNEIL: You're just back. Do you find the defense community, as you come home, happy about the nuclear deal with North Korea, or uneasy?

SECRETARY PERRY: I think it's very good for our security. I told that to the Korean government and to the Japanese government, and I'm happy to discuss this with members of the defense community. The ones that I've talked with so far are supportive of the agreement and they understand that the alternative to the agreement, basically going back to where we were last June and facing the prospect of imposing sanctions on North Korea and augmenting our troop forces in North Korea, that this is a very good alternative to that.

MACNEIL: And what do you make of all the criticism of the deal since it's come out? How would you characterize that criticism?

SECRETARY PERRY: Some of the criticism is based on a lack of complete understanding of the agreement that's been made. Some of it doesn't accurately reflect the true alternative, which is — it involved, really, a substantial risk of a military confrontation with North Korea. And some of it is just the wish in a negotiation that we could sit on both sides of the negotiating table — that is, the thought that we ought to be able to write every clause of the agreement, rather than understanding that the other side has some interests they're trying to protect, as well.

MACNEIL: Do the intelligence people still assume, still believe that North Korea probably does sit on two nuclear weapons or nuclear devices?

SECRETARY PERRY: Let me make a distinction, Robin, of what we know and what is being estimated.

We have reasonably good confidence that they extracted plutonium from the spent fuel of that reactor at an earlier time, a few years ago. We believe it was about eight kilograms. And that would be enough to make one or even perhaps two nuclear bombs. We do not know that they have made those nuclear bombs. We have no -- we can estimate that but that's different from saying we have direct knowledge of it.

MACNEIL: Critics of the accord, like Senator McCain on this program last week, say those

-- that the potential of those devices remain a deadly threat, given the North Korean missile capability, to the city of Seoul, quite close, or even to Japan.

Do you think so, under this agreement?

SECRETARY PERRY: We are concerned about that potential. We're even more concerned about the potential that they had in their program for making hundreds of kilograms of plutonium, from which they could have made dozens of bombs.

So, that was our first and our primary concern. But we were also concerned with the prospect that they might have one or even two nuclear weapons. This agreement deals with both of those, and so that's one of the reasons it is a good agreement from a security point of view.

MACNEIL: As a result of this agreement, have you ordered and have the South Korean military ordered their forces in South Korea to stand down from the somewhat higher states of alert they were on when this looked like a crisis?

SECRETARY PERRY: They are not on a high state of alert now. I do not believe that's related to the agreement. I believe it's related to the fact that they have some of their troops — a good many of their troops are out assisting in their harvest, which is typical for them for this time of year.

In the meantime, we have made no change in our deployment and we do not have any plans to reduce our deployment in the Republic of Korea. Our deployment there is based on the conventional military threat from the North Koreans, not the nuclear threat. And until or unless the North Koreans reduce, and substantially reduce, that conventional military threat, we will maintain the level of forces we now have in the Republic of Korea.

MACNEIL: Did China contribute in any way to the North Korean deal?

SECRETARY PERRY: I can't say that for sure, Robin. I discussed this in some detail with the Chinese government officials when I was there last week. They -- first of all, they assured me that their interests in this issue are the same as ours -- that is, they do not want North Korea to have a nuclear weapon program. And therefore they're willing to work to that end. They were very supportive of the agreement that's been reached. And indeed, when I was in China, before the agreement was signed, they were offering to support in whatever way they could to try to influence North Korea in the direction of supporting the agreement.

So, they have talked with the North Korean government. They've tried to influence them in the

direction, first of all, of giving up this nuclear weapon program, and secondly of supporting the agreement.

I also discussed with the Chinese government, after the agreement was reached, whether they would be willing to assist in the implementation, and they indicated a strong interest in doing that.

MACNEIL: From your talks with the Chinese military, what judgment did you come home with about their ambitions and what kind of threat they pose in the region?

SECRETARY PERRY: We do not see the Chinese military posing a threat to the United States anytime in the foreseeable future. They are increasing their military forces, including buying weapons and getting some technology transferred from Russia. And some of their neighbors see that as a potential threat to them.

When I discussed this with the Chinese military officials, I pointed out that their neighbors were concerned about this and that it would be a lot better for the security of the region if they had more transparency about what they did -- that is, if they were willing to make open their defense planning, their defense programs, their defense budget. And in the course of those discussions, we came to an agreement of an exchange of detailed information in those regards. That's going to happen over the next few months. And after I see what they actually present to us, I will be able to comment a little more authoritatively on the extent to which they're willing to share that information.

MACNEIL: Did they ask for U.S. help in improving or modernizing their military equipment?

SECRETARY PERRY: They did not. I had announced to them before I ever went on the trip that I was not interested in discussing arms sales to China, I was not interested in discussing the transfer of military technology to China. We do not see that as being in our best interests at all.

MACNEIL: Ever?

SECRETARY PERRY: Not in the foreseeable future. I see no prospect. I see no -- I can't envision the circumstance now in which that would be in our national security interest.

They respected my previous comments on that and they did not even bring up the question.

MACNEIL: There was some speculation here, printed here, that one of your tasks there was to pave the way for resumed sales of U.S. military equipment to China, perhaps from private firms, in order to help the failing defense industries in this country.

SECRETARY PERRY: That speculation is ill-informed. That never was an intention for this trip, and indeed we did not even discuss arms sales during the trip. And I say again that I do not believe that would be in the best security interests of the United States

MACNEIL: Can we turn to Kuwait, where the President is going in a couple of days.

Your spokesman said today U.S. forces in the region are now just under 28,000. When will they start to come home?

SECRETARY PERRY: First of all, they're still increasing. We are still sending over elements of an armored brigade from Fort Stewart, Georgia, 24th Infantry Division, which is joining up with the prepositioned equipment, equipment which was prepositioned in ships, which is being unloaded in Saudi Arabia. And once they are all joined up with that equipment, then we will be conducting military exercises in Kuwait. When those exercises are completed, then we'll start -- and assuming that the Iraqi threat has not in any way returned -- then we will start bringing them home.

I certainly hope to have all of those troops that were newly deployed in the area back home before Christmas.

MACNEIL: Do you see a permanent landbased U.S. military presence being needed in Kuwait, apart from the token force that stayed there to be able to open up the cached supplies if it was necessary? A serious force staying there?

SECRETARY PERRY: I don't see the need for any significant ground combat forces in Kuwait. I see the continuing need for support forces there that, for example, maintain the prepositioned equipment which we keep in Kuwait. I see the possibility of having some Air Force units in Kuwait to supplement the Air Force units which are now in Saudi Arabia.

MACNEIL: How do the U.S. and its partners prevent Saddam from ringing the alarm bell again? It seems that your idea that you put forward a couple of weeks ago, that the Administration has backed off from your idea of an exclusion zone. Is that so? An what is the plan now?

SECRETARY PERRY: Not at all. That's exactly what we are doing. We have issued a, as diplomats say, a demarche to Iraq, we and the United Kingdom have jointly issued that, and the Gulf states have -- some of the Gulf states have joined us in this. And this demarche says that Iraq may not deploy Republican Guard forces south of the 32nd Parallel; and that if they do, we will take appropriate action.

Now, that is comparable to the demarche we issued some years ago relative -- prohibiting them from flying south of the 32nd Parallel. We have been enforcing that first demarche for the last several years, and we are prepared to enforce the second one, as well.

We're going to have to augment our air units in Saudi Arabia and Kuwait in order to do that. The air units we had originally deployed there were primarily air-to-air capability. Now we will have to augment them with some air-to-ground capability.

What is the schedule, turning to Haiti, what is the schedule for bringing the roughly 16,000 U.S. troops home from Haiti?

SECRETARY PERRY: We will be phasing those troops down as the Haitian police force increases in capability in the weeks and the months ahead. I would expect to bring them down to a level probably fewer than 6000 troops at such time -- and at that time we would be ready to turn the operation over to the United Nations peacekeeping force. The U.N. peacekeeping force will be about 6000. And of those, I would think that approximately 2000 of them will be U.S. forces.

MACNEIL: We just reported that Secretary Christopher said if there were an agreement between Israel and Syria, the U.S. would send troops to patrol the Golan Heights.

With all this new deployment abroad, where would you find the troops right now? Suppose you had to send the promised 25,000 to Bosnia and troops to the Golan Heights, where would you get them right now?

SECRETARY PERRY: Well, we would probably — we have several alternatives. We have more than a million forces deployed in the United States. We have more than 100,000 deployed in Germany. We have several hundred thousand in the Pacific Theater. The chances are that we would look to the European Theater for that deployment.

This would be a relatively small number, compared with the number of forces we have deployed. I don't see that as a substantial drain on our military forces.

MACNEIL: Looking at the numbers, some military analysts say that you're going to have to spend more next year -- that is, raise the defense budget a bit, which has been falling -- or cut down on the number of these deployments. Are they correct?

SECRETARY PERRY: Well, there are two different aspects to that, Robin. The first one being that as we conduct contingency operations, unplanned

contingency operations, of which we've conducted many this year, they are not accommodated for in the defense budget. The defense budget sustains the forces but does not provide the funds for specific operations. So we go back to the Congress and request supplemental appropriations for those. Last year we got supplemental appropriations of about a billion dollars to cover those contingency operations. I think we would have to do that next year, as well. For example, the operation that we are already conducting in Kuwait and Saudi Arabia is not provided for in the budget, so we will need some supplemental funds to deal with that. We do not have sufficient funds programmed for the operation in Haiti. So we'll have to go back to the Congress and request additional funds for those.

MACNEIL: But it's not a question of actually asking for an increase in the defense budget per se.

SECRETARY PERRY: Well, we're also -for other reasons, we're looking at the need for
increases in the defense budget, increases relative to
what was programmed or planned at the beginning of
the Administration. And the increases, in particular,
would accommodate the increases in inflation beyond
what was estimated or planned at that time, as well as
increases in salary, compensation, which we are
planning now.

MACNEIL: Well, Mr. Secretary, thank you very much for joining us.

SECRETARY PERRY: Thank you, Robin. It's nice to talk to you.